



Construction Insurance

WHY PEN CONSTRUCTION?

Being construction insurance specialists and established for over 20 years we know where building in something extra will create the most value for your client.

Does your current policy provide the following? Ours does as standard, that means these features and many more are automatically embedded in our policy at no extra cost

- No Height or Depth limit
- Part Product
- 2 years new for old on Own Plant
- Replacement hire charges following damage to Own Plant
- Fuel in Bowers
- HSE Fee For Intervention costs
- Completed Private Speculative Build up to 365 days and Commercial Speculative Build up to 90 days
- Customers Goods in the Care Custody & Control
- Contract Works Defects Extension
- Off-site storage
- Professional Negligence
- Financial Loss
- Cyber Liability
- Environmental Impairment Liability
- Environmental Statutory Liability
- Management Crisis Costs

We are able to offer the following sections of cover and limits on either an annual or single project basis. Higher limits may be considered;

- Public Liability to £10M with excess layer options available
- Employers' Liability to £10M with excess layer options available
- Contracts Works Limit of Indemnity to £10M
- Own Plant Limit of Indemnity to £5M
- Hired in Plant Limit of Indemnity to £2.5M
- JCT 6.5.1 to £10M with excess layer options available
- Terrorism
- Legal Expenses to £500,000 including Construction Contract Disputes



DON'T JUST TAKE OUR WORD FOR IT...

With a 40% success rate on quotes given through 2018 this is what some of our brokers are saying;

We have been working with Pen Construction over the past 12 months. Their proposition is a breath of fresh air for the market.

Pen's Construction product includes many important additional features, including Part Products Liability and FFI costs charged by the Health & Safety Executive.

However, it's the immediate access to construction specialist underwriters, their balanced underwriting process, competitive premiums and can-do attitude which makes the Pen Construction offering very attractive to brokers."

David MacKinnon
Director Vision Insurance Services Ltd

"I was impressed by the breadth of policy coverage, competitiveness of the premium and responsiveness/expertise of the underwriter."

Kristina Hudgell
ACII, Manager Aston Lark Group

"Adding to our current and now well established business trading relationship with Pen Underwriting Limited, we as brokers are very pleased to have extended this relationship further with Pen Construction. The accessibility into this market within the Pen 'umbrella' is like all access to the Pen products that we have found - a very easy transition - and this is initially assisted by the first class knowledge and expertise of the underwriting staff in Pen Construction.

Underwriters need to be technically minded of their products - both understanding the product and how then to convey and liaise this with their broking market. This was my first impression of Pen Construction, and it helped set the wheels in motion having spent time with Tony Ewing (Senior Underwriter) discussing their construction product at length and where we personally as brokers could benefit our construction clients risk requirements.

While the core essential covers a broker would expect on any construction insurance product are in situ - what is particularly impressive with the Pen Construction contract is the many additional areas of cover that are included automatically in their product.

Tony was able to expand clearly and precisely on each area of cover that is included in their policy automatically - which you would not necessarily find to the same extent or at all - amongst other construction policy wordings that are available in the market to brokers. Thus making the Pen Construction product a quality enhanced construction policy full of unique selling points from underwriter to broker to client.

Such enhancements when communicating and recommended this product to prospective clients makes the recommendation of the Pen Construction policy a relatively easy process as clients are able to see what benefits they are adding to their existing policy covers. Aside from these enhancements on policy covers for their product, I found Pen Construction underwriters keen to work with me as a broker on terms and premium in obtaining the correct and necessary risk information that allows them to provide me with competitive terms and premium aligned with an already enviable construction product."

Paul Schofield
Director at Donald Schofield Limited

ACCEPT

The main feature of the risk must be manual work away

Minimum turnover £1M

Air Conditioning, Acoustic Engineer, Alarm Installers, Artexers, Bathroom & Kitchen Installers, Blinds, Roller Window & Door Shutter Contractors, Bricklayers, Carpenters, Cavity Wall Insulators, Ceiling Contractors, Chimney Sweeps & Repairs, Conservatory Erection, Construction Site Logistics, Damp Proofing, Data Cable Installers, Domestic Shed & Garage Erectors, Drain & Pipe Cleaners, Drystone Walling, Ductwork Installers, Electrical Contractors, Fencing Contractors, Fitted Furniture Installers, Floor Covering Contractors, Floor Surfacing Contractors, General Builders, Glass & Double Glazing Contractors, Groundworkers, Harling & Roughcasting, Haulage Contractors, Heating & Ventilation Contractors, Insulation Contractors, Landscape Gardeners, Loft Conversion Contractors, Paving Contractors, Pipe Fitters, Plant Hire, Plastering & Drylining, Playground Equipment Installers, Plumbers, Road Surfacing/Kerbing, Shop & Office Fitters, Site Levelling/Clearance Contractors, Solar Panels (Farms), Sports Surfacing Contractors, Stonemasons, Terazzo Work, Tilers, Utility Contractor

ACCOMODATE

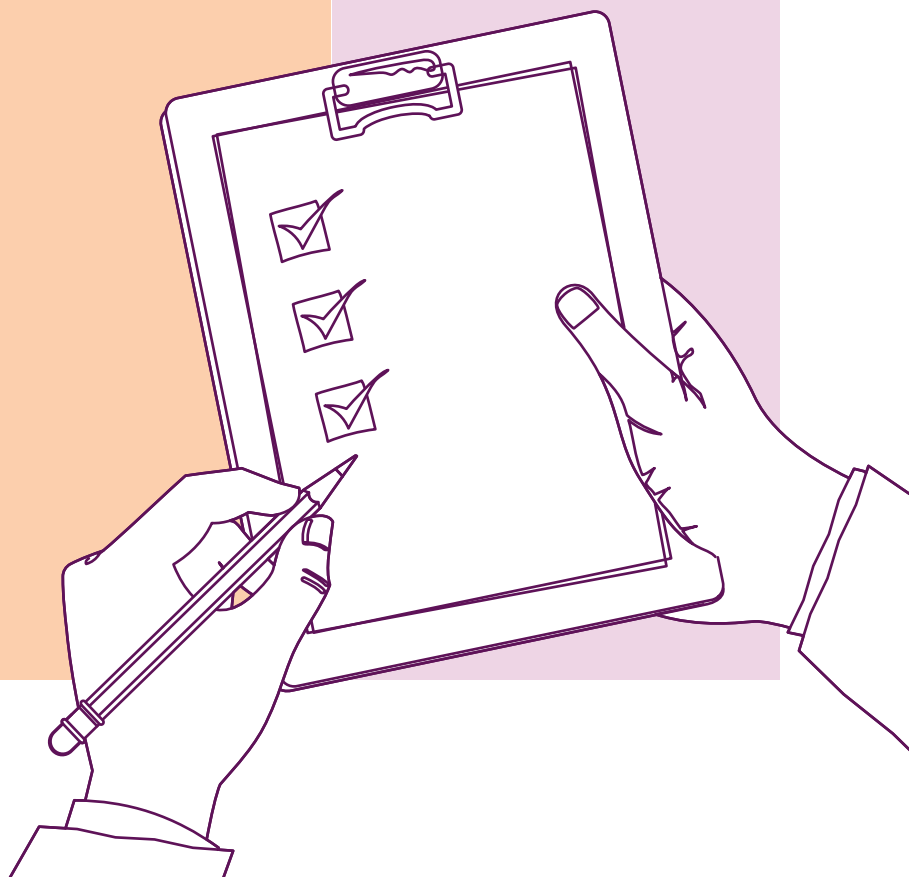
The main feature of the risk must be manual work away, with this activity forming the majority of their overall work i.e specialists in their field

Minimum turnover requirement of £1M

Aerial Erectors, Basement Contractors, CCTV & Alarm Installers, Cladding Contractors, Concrete Finishers, Concrete Pumps, Curtain Walling, Diamond Drillers, Formwork & Shuttering, Guttering, Lift Engineers, Reinforced Concrete Contractors, Roofers (incidental), Soft Strip Contractors, Solar Panel (height), Telegraph Pole & Street Light Installers, Tree Felling & Lopping, Underpinning, Water Treatment Contractors

DECLINE

Roofers, Scaffolders, Demolition, Steel Erection, Steel Fabrication, Asbestos removal, Forestry Contractors, Steeplejacks, Piling, Red Zone Rail Works, Work on Runways & Aprons, Tunnelling, Work involving bridges & Viaducts



CONSTRUCTION

- LIABILITY

We are looking for reasons to quote and help you retain business and win new clients.

Does your submission include the following to enable us to consider the risk and apply our best rates?



1

CRITICAL

Years trading or previous experience if a new venture along with details of the last 3 contracts

Even new ventures can attract a discount if you can outline any previous experience

6

Split of work above 10M from ground level & split of depth work below 1M, 3M, 5M

Allows us to accurately apply the right rates rather than allocate to the highest risk

2

CRITICAL

Last 5 years turnover and 5 years claims experience so we can assess any fluctuations

If a turnover has fluctuated this may not give a clear representation of the claims experience

7

CRITICAL

% use of heat and type split by own work force and BFSC

Rating factor

3

Split in business activities if more than one activity is undertaken works

Allows us to accurately apply the right rate rather than allocate to the highest risk trade

8

Split between work in/on new build and existing buildings

Allows us to accurately apply the right rate rather than allocate to the highest risk

4

Split in locations worked (Residential, Commercial, Industrial, Leisure, Offices, Schools) Maximum number of storeys worked to internally

Allows us to accurately apply the right rates rather than allocate to the highest risk location

9

Payments to BFSC and what work they undertake on your behalf

Rating factor - linked in with site supervisory wages below. Demonstrates the controls the insured has on site

5

CRITICAL

Any work involving Asbestos Containing Materials either by the insured or by a BFSC

Material fact - we are not looking to accommodate risks where handling of ACM's are a feature

10

CRITICAL

Full wages breakdown between clerical, manual away, manual premises, drivers, yardmen, site supervisors and fixed woodworking machinery

Allows us to accurately apply the right rates rather than apply all as manual if not otherwise split out

CONSTRUCTION

-CONTRACT WORKS/PLANT

We are looking for reasons to quote and help you retain business and win new clients.

Does your submission include the following to enable us to consider the risk and apply our best rates?



1

CRITICAL

Years trading or previous experience if a new venture along with details of the last 3 contracts

Even new ventures can attract a discount if you can outline any previous experience

6

Details of security on sites

Particularly relevant where Timber Frame is a feature

2

CRITICAL

Last 3 years turnover and 3 years claims experience so we can assess any fluctuations

If a turnover has fluctuated this may not give a clear representation of the claims experience

7

CRITICAL

Estimated Maximum Exposure any one site - use this to set your limit of indemnity

We work on a LOI basis, not maximum contract value. A contract may be in 2 equal phases hence the LOI can reflect such

3

What % of turnover is derived where the Employer is responsible for insuring the contract works

Rating factor. If the Employer is insuring the works in joint names then a premium saving can be obtained

8

Inventory of Plant detailing individual makes, models and value and whether any security devices are installed

Allows us to accurately apply the right rate rather than allocate to the highest risk

4

Split between New Build and Alterations/ Maintenance

Allows us to accurately apply the right rate rather than allocate to the highest risk

9

CRITICAL

Estimated Maximum Exposure for Own & Hired in Plant on site/own premises - use this to set your limit of indemnity

We work on a LOI basis not sum insured, this can make a real difference to the rating if there is a good spread of risk

5

CRITICAL

What % of work involves the use of Timber Frame

Material Fact. Our policy gives up to £2M/3 storeys. Please ensure this is adequate.

10

Annual Hiring Charges

Rating factor

CONSTRUCTION

KEY FEATURES

HSE Fee For Intervention

From 1st October 2012 the HSE has been able to recover costs for carrying out some of its activities from those found to be in material breach of health and safety law. This cost recovery approach is known as Fee for Intervention (FFI) This policy will meet the costs where an inspection results in a letter, enforcement notice or investigation by the HSE. The average cost of a FFI invoice in 2016 was £650

Part Product

Most Contractors Public/Products Liability policies will as standard exclude damage caused to a product by its own defect. We will interpret the Product as being any and all work undertaken by or on behalf of the Insured under a contract. A Product means anything constructed altered repaired etc by the Insured and no longer in their possession or control. Our policy only excludes that part of the product which is defective. This allows cover to be brought back in on the overall product and limits the exclusion to the defective part of the product only. Giving the example of a new build property as the Product which is destroyed by fire the excluded defective component part may be as small and inexpensive as a fuse, the rest of the product now being covered.

Environmental Impairment Liability

A standard pollution policy will pick up circumstances where the incident giving rise to a claim is sudden and takes place in its entirety at a specific moment in time. EIL allows cover to be brought back in where the incident giving rise to a claim is gradual. Giving the scenario where a fuel tank on site has been gradually leaking into the drains our policy will respond in the event of bodily injury or damage arising from such cause.

Defects Extensions

Most Contract Works policies will as standard exclude damage to property which is in a defective condition but will provide cover to other parts of the property which are damaged as a consequence of, this is referred to as DE3 and is common amongst most policies. Uplifts may be available to DE4 and DE5 to give wider cover. As an example, a marble column fails because its inner steel supporting rod is defective in design. The roof collapses, causing extensive damage to an expensive tile floor. Under DE3 the floor and roof would be covered but not the column. DE4 would cover the floor, the roof and the column but not the rod. DE5 covers everything except the cost of an improved type of supporting rod. Our wording provides DE3 cover with the option to uplift to DE4 post loss should this be economically viable to the insured. DE5 cover can be considered upon request.

Professional Negligence

Professional Negligence cover will offer protection against financial loss to an employer arising from the design activities of the Insured. For example, a plumber designing and installing all the waterworks for a new home may find the system fails. If there is no damage and no injury but the system just doesn't work due to an error in the design or specification, Professional Negligence insurance may cover the financial losses incurred by the employer. They may for example need to find alternative accommodation and place furniture into storage while the work is being rectified.

Speculative Build

When a build under contract reaches practical completion, cover under a standard contract works policy ceases with the transfer of risk moving from the insured to their employer. If there is no employer and no contract and the insured has purchased land to build in the hope of an onward sale this is classed as speculative. Where practical completion is reached without a buyer the insured retains ownership of the risk pending sale. Our policy will provide cover up to 365 days for residential speculative build and 90 days for commercial speculative build pending sale, lease or rental of the property subject to the contract works policy remaining in force.

WHY DO BUSINESS WITH PEN?

When we set up Pen in 2014, we brought together some of the UK's best known and most respected underwriting businesses, many with decades of underwriting expertise.

Our values – Differentiation, Expertise, Added Value and Ease of Doing Business – are built on these strong foundations.

DIFFERENTIATION

Across Pen we offer more than 60 products, underwritten by industry specialists, providing cover in hard to fill niches.

As well as one of the most varied product ranges in the market, we understand the value of doing business differently – of handling ordinary needs in extraordinary ways - so that standard becomes superior.

EXPERTISE

Being “technical underwriters who trade” defines everything we do.

That means technical expertise from backroom specialists such as analysts, actuaries, pricing experts and capacity managers – not many other underwriting businesses can say the same.

But most of all, business and market acumen so you can trade and negotiate with empowered underwriters.

ADDED VALUE

Whichever Pen product you choose, we believe there should always be an advantage – something in it for you – whether you are a policyholder, capacity provider or broker:

- Claims management that is bespoke to each product, and many products serviced by in-house specialists
- Wide range of capacity supporting £500M GWP
- Hard to find clauses that give brokers an advantage and clients better protection
- Built-in services, like environmental consultancy, so we improve businesses, not just insure them

EASY TO DO BUSINESS WITH

We recognise that although the business landscape is ever-changing, what people value remains unaltered – support, expertise and old-fashioned service.

That's why:

- You can contact our 400 staff on the phone, via our app, or face to face in one of our 15 offices across the UK.
- You choose how to trade with us: most of our products are personally underwritten but we also offer e-traded products and delegated authorities.
- And whether you want to discuss an opportunity, resolve a problem or close a deal, you'll find our leadership hands-on.

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